

**UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, MARSHALL COUNTY, KANSAS  
AUDIT REPORT JUNE 30, 2011**

**EIN: 48-0720068**

**KICKHAEFER & ASSOCIATE, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
MARYSVILLE, KANSAS 66508**

Schedule 1 Comparison of Depository Security with Funds on Deposit 57

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

**FINANCIAL INFORMATION**

**KICKHAEFER & ASSOCIATE, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Education  
Unified School District No. 364  
Marysville, Kansas 66508

We have audited the accompanying financial statements of the governmental activities and the discretely presented component unit for the Unified School District No. 364, Marysville, Kansas, as of and for the year ended June 30, 2011, which collectively comprise the district's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Unified School District No. 364, Marysville, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of The United States, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1.C, the Unified School District No. 364, Marysville, Kansas, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

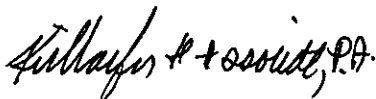
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 364, Marysville, Kansas, as of June 30, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the school district has not presented a management's discussion and analysis that accounting principles generally

accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 364, Marysville, Kansas, as of June 30, 2011, and its cash receipts, cash disbursements, and expenditures compared to budget, for the year then ended on the basis of accounting described in note 1.C.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2012, on our consideration of the Unified School District No. 364, Marysville, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Unified School District No. 364, Marysville, Kansas' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Similarly, the information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the district. The schedule of expenditures of federal awards and the supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in note 1.C.



Kickhaefer & Associate, P.A.  
Marysville, Kansas  
February 8, 2012

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND GOVERNMENTAL TYPE FUNDS:	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GENERAL	\$ (321,287.43)	\$ 0.00	\$ 5,414,999.76	\$ 5,321,229.27	\$ (227,516.94)	\$ 64,923.68	\$ (162,593.26)
SUPPLEMENTAL GENERAL	11,708.70	0.00	1,841,970.99	1,786,721.00	66,958.69	360,369.90	427,328.59
SPECIAL REVENUE FUNDS:							
AT-RISK FUND (K-12)	0.00	0.00	410,000.00	410,000.00	0.00	0.25	0.25
CAPITAL OUTLAY	569,977.79	0.00	673,472.42	662,273.56	581,176.65	7,908.78	589,085.43
DRIVER TRAINING	27,748.77	0.00	13,723.00	20,787.73	20,684.04	0.00	20,684.04
ADULT EDUCATION	733.66	0.00	0.00	0.00	733.66	0.00	733.66
FOOD SERVICE	73,289.83	0.00	482,296.04	478,617.36	76,968.51	0.00	76,968.51
PROFESSIONAL DEVELOPMENT	2,500.00	0.00	21,307.37	21,307.37	2,500.00	962.94	3,462.94
SPECIAL EDUCATION	461,927.26	0.00	1,261,757.94	1,253,978.14	469,707.06	0.00	469,707.06
AT-RISK FUND (4 YR OLD)	0.00	0.00	72,020.37	72,020.37	0.00	0.00	0.00
VOCATIONAL EDUCATION	0.00	0.00	276,116.59	276,116.59	0.00	0.00	0.00
KPERS SPECIAL RETIREMENT CONTRIBUTION	0.00	0.00	366,504.95	366,504.95	0.00	0.00	0.00
COOP SPECIAL EDUCATION	0.00	0.00	2,345,945.06	2,345,945.06	0.00	10,525.41	10,525.41
CONTINGENCY RESERVE	218,954.00	0.00	0.00	0.00	218,954.00	0.00	218,954.00
TEXTBOOK & STUDENT MATERIAL REVOLVING	146,809.90	0.00	44,668.29	13,364.81	178,113.38	4,556.08	182,669.46
TITLE I - FY 11	0.00	0.00	109,022.00	109,022.00	0.00	0.00	0.00
CAMP INVENTION	1,374.30	0.00	10,054.90	11,075.00	354.20	0.00	354.20
KIDS UNIVERSITY	16,915.89	0.00	22,472.80	22,186.02	17,202.67	0.00	17,202.67
WORKFORCE INVESTMENT ACT	0.00	0.00	35,950.85	35,950.85	0.00	1,243.19	1,243.19
TITLE I - ARRA	0.00	0.00	33,655.00	33,655.00	0.00	216.55	216.55
TITLE II-A - IMPROVING TEACHER QUALITY	0.00	0.00	37,738.00	37,738.00	0.00	0.00	0.00
TITLE II-D - EDUCATION TECHNOLOGY	0.00	0.00	369.00	369.00	0.00	0.00	0.00
GATE RECEIPT FUNDS	25,666.75	0.00	83,455.91	86,577.27	22,545.39	0.00	22,545.39
SCHOOL PROJECT FUNDS	26,056.63	0.00	105,928.29	86,586.93	45,397.99	0.00	45,397.99

(CONT.)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

UNIFIED SCHOOL DISTRICT NO. 364  
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SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
<u>GOVERNMENTAL TYPE FUNDS (CONT.)</u>							
DEBT SERVICE:							
BOND AND INTEREST	\$ 190,860.94	\$ 0.00	\$ 375.48	\$ 0.00	\$ 191,236.42	\$ 0.00	\$ 191,236.42
QZAB DEBT SERVICE FUND	0.00	0.00	1,000.01	1,000.00	0.01	0.00	0.01
<u>CAPITAL IMPROVEMENT FUNDS:</u>							
ENERGY IMPROVEMENTS	0.00	0.00	1,900,072.52	1,273,000.00	627,072.52	0.00	627,072.52
<u>FIDUCIARY TYPE FUNDS:</u>							
EXPENDABLE TRUSTS:							
GRANTS FUND	2,996.99	0.00	8,270.00	6,638.25	4,628.74	0.00	4,628.74
FORD SCHOLARSHIP	0.00	0.00	1,000.00	1,000.00	0.00	0.00	0.00
U.S.D. NO. 364 SCHOLARSHIP FUND	6,799.42	0.00	48.74	100.00	6,748.16	0.00	6,748.16
TOTAL PRIMARY GOVERNMENT	1,463,033.40	0.00	15,574,196.28	14,733,764.53	2,303,465.15	450,706.78	2,754,171.93
<u>COMPONENT UNIT:</u>							
U.S.D. NO. 364 FOUNDATION	262,600.13	0.00	29,213.55	10,496.00	281,317.68	0.00	281,317.68
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 1,725,633.53	\$ 0.00	\$ 15,603,409.83	\$ 14,744,260.53	\$ 2,584,782.83	\$ 450,706.78	\$ 3,035,489.61

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UNIFIED SCHOOL DISTRICT NO. 364  
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SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ENDING CASH BALANCE
COMPOSITION OF CASH:	
CASH IN BANK, UNITED BANK & TRUST, MARYSVILLE, KANSAS--	
- NOW CHECKING ACCOUNTS: #1244951, #1244940, #1244896	\$ 2,455,782.59
CASH IN BANK, CITIZENS STATE BANK, MARYSVILLE, KANSAS--	
- MONEY MARKET ACCOUNT #610436 - SCHOLARSHIP FUND	6,648.16
TOTAL CASH	2,462,430.75
INVESTMENTS AT COST	
BANK OF KANSAS CITY, KANSAS CITY, MISSOURI	
MONEY MARKET FUND INVESTED IN CAVANAL HILL US TREASURY	627,072.53
#819128026, #819128018	
TOTAL DISTRICT CASH AND INVESTMENTS	3,089,503.28
LESS AGENCY FUNDS PER STATEMENT 4	(335,331.35)
TOTAL PRIMARY GOVERNMENT CASH AND INVESTMENTS(Excluding Agency Funds)	2,754,171.93
COMPONENT UNIT - U.S.D. NO. 364 FOUNDATION	
CASH IN BANK, CITIZENS STATE BANK, MARYSVILLE, KANSAS--	
- CHECKING ACCOUNT #193185	1,804.53
- CERTIFICATE OF DEPOSIT #19944, DUE 08/27/11, 2.0%	7,020.98
- CERTIFICATE OF DEPOSIT #19943, DUE 08/28/11, 2.0%	37,741.88
- CERTIFICATE OF DEPOSIT #19945, DUE 08/28/11, 2.0%	54,444.48
- CERTIFICATE OF DEPOSIT #9907, DUE 09/10/11, .9%	10,575.13
- CERTIFICATE OF DEPOSIT #2072, DUE 02/11/12, 1.5%	4,287.02
- CERTIFICATE OF DEPOSIT #15875, DUE 11/04/13, 4.0%	10,585.87
- CERTIFICATE OF DEPOSIT #13117, DUE 02/06/16, 3.0%	10,830.84
- CERTIFICATE OF DEPOSIT #13268, DUE 05/06/16, 2.25%	5,090.55
- CERTIFICATE OF DEPOSIT #14788, DUE 07/02/12, 5.35%	4,116.95
- CERTIFICATE OF DEPOSIT #15170, DUE 02/25/13, 4.0%	15,141.37
- CERTIFICATE OF DEPOSIT #20955, DUE 02/24/13, 1.8%	20,463.90
- CERTIFICATE OF DEPOSIT #20970, DUE 03/08/12, 1.0%	11,714.06
- CERTIFICATE OF DEPOSIT #22834, DUE 12/30/11, 1.5%	1,737.20
- CERTIFICATE OF DEPOSIT #23635, DUE 10/19/11, 1.8%	15,421.11
- CERTIFICATE OF DEPOSIT #26256, DUE 07/18/11, 1.25%	1,006.23
- CERTIFICATE OF DEPOSIT #25946, DUE 05/06/12, 2.65%	39,170.23
- CERTIFICATE OF DEPOSIT #26257, DUE 12/10/12, 2.9%	17,092.09
- CERTIFICATE OF DEPOSIT #22501, DUE 11/29/12, 2.4%	13,073.26
SUBTOTAL U.S.D. NO. 364 FOUNDATION	281,317.68
TOTAL REPORTING ENTITY CASH AND INVESTMENTS(Excluding Agency Funds)	\$ 3,035,489.61



UNIFIED SCHOOL DISTRICT NO. 364  
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SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND	CERTIFIED BUDGET	ADJUSTMENT TO COMPLY WITH LEGAL MAX	ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	TOTAL BUDGET FOR COMPARISON	EXPENDITURES CHARGEABLE TO CURRENT YEAR	VARIANCE - OVER (UNDER)
<u>GOVERNMENTAL TYPE FUNDS:</u>						
GENERAL FUNDS:						
GENERAL	\$ 5,392,930.00	\$ (149,633.00)	\$ 77,932.27	\$ 5,321,229.27	\$ 5,321,229.27	\$ 0.00
SUPPLEMENTAL GENERAL	1,794,435.00	(7,714.00)	0.00	1,786,721.00	1,786,721.00	0.00
<u>SPECIAL REVENUE FUNDS:</u>						
ADULT EDUCATION	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00
AT RISK FUND (K-12)	410,000.00	0.00	0.00	410,000.00	410,000.00	0.00
CAPITAL OUTLAY	900,000.00	0.00	0.00	900,000.00	662,273.56	237,726.44
DRIVER TRAINING	36,460.00	0.00	0.00	36,460.00	20,787.73	15,672.27
FOOD SERVICE	600,000.00	0.00	2,056.05	602,056.05	478,617.36	123,438.69
PROFESSIONAL DEVELOPMENT	70,000.00	0.00	1,363.90	71,363.90	21,307.37	50,056.53
SPECIAL EDUCATION	1,746,675.00	0.00	0.00	1,746,675.00	1,253,978.14	492,696.86
VOCATIONAL EDUCATION	365,400.00	0.00	705.93	366,105.93	276,116.59	89,989.34
KPERS SPECIAL RETIREMENT CONTRIBUTION	556,622.00	0.00	0.00	556,622.00	366,504.95	190,117.05
AT RISK FUND (4 YR. OLD)	80,000.00	0.00	0.00	80,000.00	72,020.37	7,979.63
COOP SPECIAL EDUCATION	2,550,000.00	0.00	0.00	2,550,000.00	2,345,945.06	204,054.94
<u>DEBT SERVICE:</u>						
BOND AND INTEREST	0.00	0.00	0.00	0.00	0.00	0.00

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 <u>ACTUAL</u>	10-11 <u>BUDGET</u>	VARIANCE - OVER (UNDER)
<b>GENERAL FUND</b>			
<b>CASH RECEIPTS</b>			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2009	\$ 15,630.68	\$ 8,838.00	\$ 6,792.68
-2010	1,223,329.26	1,159,353.00	63,976.26
DELINQUENT PROPERTY TAX	3,438.23	5,499.00	(2,060.77)
MINERAL TAX	1.32	0.00	1.32
<b>TOTAL TAXES AND SHARED REVENUE</b>	<u>1,242,399.49</u>	<u>1,173,690.00</u>	<u>68,709.49</u>
<b>STATE SOURCES--</b>			
GENERAL STATE AID	3,115,781.00	3,364,384.00	(248,603.00)
SPECIAL EDUCATION AID	720,884.00	761,071.00	(40,187.00)
<b>TOTAL STATE SOURCES</b>	<u>3,836,665.00</u>	<u>4,125,455.00</u>	<u>(288,790.00)</u>
<b>FEDERAL SOURCES--</b>			
EDUCATION JOBS FUND	164,218.00	0.00	164,218.00
ARRA STABILIZATION	93,785.00	93,785.00	0.00
<b>TOTAL STATE SOURCES</b>	<u>258,003.00</u>	<u>93,785.00</u>	<u>164,218.00</u>
<b>REIMBURSEMENTS</b>	<u>77,932.27</u>	<u>0.00</u>	<u>77,932.27</u>
<b>TOTAL CASH RECEIPTS</b>	<u>5,414,999.76</u>	<u>\$ 5,392,930.00</u>	<u>\$ 22,069.76</u>
<b>EXPENDITURES</b>			
<b>INSTRUCTION--</b>			
SALARIES	835,196.95	\$ 1,269,000.00	\$ 433,803.05
ARRA SALARIES	93,785.00	0.00	(93,785.00)
EDUCATION JOBS GRANT SALARIES	164,218.00	0.00	(164,218.00)
EMPLOYEE BENEFITS	206,053.66	185,000.00	(21,053.66)
PURCHASED PROFESSIONAL & TECHNICAL SERVICES	0.00	7,600.00	7,600.00
PURCHASED PROPERTY SERVICES	2,283.65	0.00	(2,283.65)
OTHER PURCHASED SERVICES	2,572.19	1,200.00	(1,372.19)
SUPPLIES	23,828.98	37,650.00	13,821.02
OTHER	19,457.62	48,420.00	28,962.38
<b>TOTAL INSTRUCTION</b>	<u>1,347,396.05</u>	<u>1,548,870.00</u>	<u>201,473.95</u>
<b>STUDENT SUPPORT SERVICES--</b>			
SALARIES	108,387.97	117,000.00	8,612.03
EMPLOYEE BENEFITS	13,174.89	8,100.00	(5,074.89)
SUPPLIES	1,795.47	1,000.00	(795.47)
OTHER	1,198.49	600.00	(598.49)
<b>TOTAL STUDENT SUPPORT SERVICES</b>	<u>124,556.82</u>	<u>126,700.00</u>	<u>2,143.18</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>GENERAL FUND (CONT.)</b>			
<u>EXPENDITURES</u>			
INSTRUCTIONAL SUPPORT STAFF--			
SALARIES	\$ 191,738.04	\$ 182,000.00	\$ (9,738.04)
EMPLOYEE BENEFITS	39,899.29	31,100.00	(8,799.29)
SUPPLIES	13,206.23	0.00	(13,206.23)
<b>TOTAL INSTRUCTIONAL SUPPORT STAFF</b>	<u>244,843.56</u>	<u>213,100.00</u>	<u>(31,743.56)</u>
 GENERAL ADMINISTRATION--			
SALARIES	179,876.39	123,000.00	(56,876.39)
EMPLOYEE BENEFITS	51,986.24	35,150.00	(16,836.24)
PURCHASED PROFESSIONAL & TECHNICAL SERVICES	11,337.50	13,000.00	1,662.50
OTHER PURCHASED SERVICES	7,858.58	8,960.00	1,101.42
SUPPLIES	1,465.00	3,000.00	1,535.00
OTHER	15,339.69	17,500.00	2,160.31
<b>TOTAL GENERAL ADMINISTRATION</b>	<u>267,863.40</u>	<u>200,610.00</u>	<u>(67,253.40)</u>
 SCHOOL ADMINISTRATION--			
SALARIES	422,605.12	420,000.00	(2,605.12)
EMPLOYEE BENEFITS	78,186.74	86,400.00	8,213.26
OTHER PURCHASED SERVICES	1,867.96	3,050.00	1,182.04
<b>TOTAL SCHOOL ADMINISTRATION</b>	<u>502,659.82</u>	<u>509,450.00</u>	<u>6,790.18</u>
 OPERATIONS AND MAINTENANCE--			
SALARIES	271,903.41	285,000.00	13,096.59
EMPLOYEE BENEFITS	75,826.64	84,300.00	8,473.36
PURCHASED PROFESSIONAL & TECHNICAL SERVICES	0.00	4,200.00	4,200.00
PURCHASED PROPERTY SERVICES	48,571.19	19,850.00	(28,721.19)
SUPPLIES	6,754.11	5,000.00	(1,754.11)
UTILITIES	19,383.95	22,600.00	3,216.05
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<u>422,439.30</u>	<u>420,950.00</u>	<u>(1,489.30)</u>

UNIFIED SCHOOL DISTRICT NO. 364  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 <u>ACTUAL</u>	10-11 <u>BUDGET</u>	VARIANCE - OVER (UNDER)
<b>GENERAL FUND (CONT.)</b>			
<b><u>EXPENDITURES</u></b>			
STUDENT TRANSPORTATION SERVICES--			
SUPERVISION - SALARIES	\$ 166,497.58	\$ 179,000.00	\$ 12,502.42
- EMPLOYEE BENEFITS	58,420.49	69,400.00	10,979.51
VEHICLE OPERATING SERVICES - OTHER PURCH. SVCS.	6,858.00	7,000.00	142.00
- FUEL	63,681.97	62,000.00	(1,681.97)
- OTHER	32,883.55	28,500.00	(4,383.55)
<b>TOTAL STUDENT TRANSPORTATION SERVICES</b>	<u>328,341.59</u>	<u>345,900.00</u>	<u>17,558.41</u>
OTHER SUPPLEMENTAL SERVICES--			
SUPERVISION - SALARIES	0.00	60,000.00	60,000.00
- EMPLOYEE BENEFITS	0.00	21,650.00	21,650.00
- PURCHASED PROF. & TECH. SERVICES	0.00	300.00	300.00
<b>TOTAL SUPPLEMENTAL SERVICES</b>	<u>0.00</u>	<u>81,950.00</u>	<u>81,950.00</u>
STUDENT ACTIVITIES	<u>39,812.16</u>	<u>0.00</u>	<u>(39,812.16)</u>
OPERATING TRANSFERS--			
FOOD SERVICE	13,908.00	20,000.00	6,092.00
PROFESSIONAL DEVELOPMENT	19,943.47	20,000.00	56.53
AT RISK (K-12)	409,600.00	410,000.00	400.00
AT RISK (4 YR OLD)	72,020.37	80,000.00	7,979.63
SPECIAL EDUCATION	1,257,825.14	1,050,000.00	(207,825.14)
VOCATIONAL EDUCATION	270,019.59	365,400.00	95,380.41
<b>TOTAL TRANSFERS</b>	<u>2,043,316.57</u>	<u>1,945,400.00</u>	<u>(97,916.57)</u>
ADJUSTMENT TO COMPLY WITH LEGAL MAX	<u>0.00</u>	<u>(149,633.00)</u>	<u>(149,633.00)</u>
LEGAL GENERAL FUND BUDGET	<u>5,321,229.27</u>	<u>5,243,297.00</u>	<u>(77,932.27)</u>
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	<u>0.00</u>	<u>77,932.27</u>	<u>77,932.27</u>
<b>TOTAL EXPENDITURES</b>	<u>5,321,229.27</u>	<u>\$ 5,321,229.27</u>	<u>\$ 0.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	93,770.49		
UNENCUMBERED CASH, JULY 1, 2010	<u>(321,287.43)</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ (227,516.94)</u>		

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>SUPPLEMENTAL GENERAL</b>			
<u>CASH RECEIPTS</u>			
AD VALOREM PROPERTY TAXES -2009	\$ 20,341.97	\$ 29,145.00	\$ (8,803.03)
-2010	1,280,041.66	1,181,736.00	98,305.66
DELINQUENT PROPERTY TAX	6,095.21	6,168.00	(72.79)
MOTOR VEHICLE TAX	142,615.38	152,501.00	(9,885.62)
RECREATIONAL VEHICLE TAX	2,070.74	2,238.00	(167.26)
EXCISE TAX	152.03	0.00	152.03
GENERAL STATE AID	390,654.00	306,899.00	83,755.00
<b>TOTAL CASH RECEIPTS</b>	<u>1,841,970.99</u>	<u>\$ 1,678,687.00</u>	<u>\$ 163,283.99</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	1,044,458.80	\$ 872,000.00	\$ (172,458.80)
- EMPLOYEE BENEFITS	278,945.06	480,035.00	201,089.94
- OTHER PURCHASED SERVICES	3,240.86	0.00	(3,240.86)
- SUPPLIES	23,682.84	116,500.00	92,817.16
- PROPERTY (EQUIP. & FURN.)	465.25	0.00	(465.25)
- OTHER	25,000.00	24,000.00	(1,000.00)
OPER. & MAINT. - UTILITIES	218,033.50	127,900.00	(90,133.50)
OPER. & MAINT. (TRANSP.) - OTHER PURCHASED SVCS.	192,894.69	44,000.00	(148,894.69)
- SUPPLIES	0.00	70,000.00	70,000.00
VEHICLE OPER. SERVICES - OTHER PURCHASED SVCS.	0.00	60,000.00	60,000.00
ADJUSTMENT TO COMPLY WITH LEGAL MAX	0.00	(7,714.00)	(7,714.00)
<b>TOTAL EXPENDITURES</b>	<u>1,786,721.00</u>	<u>\$ 1,786,721.00</u>	<u>\$ (0.00)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	55,249.99		
UNENCUMBERED CASH, JULY 1, 2010	<u>11,708.70</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 66,958.69</u>		

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>AT RISK FUND (K-12)</b>			
<b>CASH RECEIPTS</b>			
TRANSFER FROM GENERAL FUND	\$ 409,600.00	\$ 410,000.00	\$ (400.00)
MISCELLANEOUS INCOME	400.00	0.00	400.00
<b>TOTAL CASH RECEIPTS</b>	<b>410,000.00</b>	<b>410,000.00</b>	<b>0.00</b>
<b>EXPENDITURES</b>			
INSTRUCTION - SALARIES	295,448.93	\$ 305,000.00	\$ 9,551.07
- EMPLOYEE BENEFITS	59,121.97	61,000.00	1,878.03
- SUPPLIES	36,273.70	39,000.00	2,726.30
INSTR. SUPPORT STAFF - SALARIES	15,640.03	5,000.00	(10,640.03)
- EMPLOYEE BENEFITS	1,265.37	0.00	(1,265.37)
- OTHER	2,250.00	0.00	(2,250.00)
<b>TOTAL EXPENDITURES</b>	<b>410,000.00</b>	<b>410,000.00</b>	<b>0.00</b>
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
<b>CAPITAL OUTLAY FUND</b>			
<b>CASH RECEIPTS</b>			
AD VALOREM PROPERTY TAXES -2009	\$ 7,943.35	\$ 6,253.00	\$ 1,690.35
-2010	526,172.09	500,309.00	25,863.09
DELINQUENT PROPERTY TAX	1,629.40	2,384.00	(754.60)
MOTOR VEHICLE TAX	32,273.36	37,553.00	(5,279.64)
RECREATION VEHICLE TAX	507.00	552.00	(45.00)
EXCISE TAX	28.72	0.00	28.72
OTHER REVENUE FROM LOCAL SOURCES	104,918.50	0.00	104,918.50
<b>TOTAL CASH RECEIPTS</b>	<b>673,472.42</b>	<b>547,051.00</b>	<b>126,421.42</b>
<b>EXPENDITURES</b>			
INSTRUCTION - PROPERTY (EQUIP. & FURN.)	386,022.86	\$ 300,000.00	\$ (86,022.86)
STUDENT SUPPORT SERVICES - PROP. (EQUIP. & FURN.)	412.00	15,000.00	14,588.00
GENERAL ADMINISTRATION - PROP. (EQUIP. & FURN.)	3,524.78	3,000.00	(524.78)
SCHOOL ADMINISTRATION - PROP. (EQUIP. & FURN.)	0.00	2,000.00	2,000.00
OPERATIONS & MAINTENANCE - PROP. (EQUIP. & FURN.)	2,664.33	30,000.00	27,335.67
TRANSPORTATION - PROPERTY (EQUIP. & BUSES)	156,301.00	150,000.00	(6,301.00)
OTHER SUPPORT SERVICES - PROP. (EQUIP. & FURN.)	14,420.25	20,000.00	5,579.75
FACILITIES - ARCHITECTURAL & ENGINEERING SVCS.	57,000.00	50,000.00	(7,000.00)
- BUILDING IMPROVEMENTS	41,928.34	330,000.00	288,071.66
<b>TOTAL EXPENDITURES</b>	<b>662,273.56</b>	<b>900,000.00</b>	<b>237,726.44</b>
RECEIPTS OVER (UNDER) EXPENDITURES	11,198.86		
UNENCUMBERED CASH, JULY 1, 2010	569,977.79		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 581,176.65		

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>DRIVER TRAINING FUND</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS - STATE AID	\$ 3,478.00	\$ 3,430.00	\$ 48.00
STUDENT FEES	<u>10,245.00</u>	<u>5,281.00</u>	<u>4,964.00</u>
TOTAL CASH RECEIPTS	<u>13,723.00</u>	<u>\$ 8,711.00</u>	<u>\$ 5,012.00</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	9,029.71	\$ 15,860.00	\$ 6,830.29
- EMPLOYEE BENEFITS	2,458.51	3,600.00	1,141.49
- SUPPLIES, MISC.	5,285.50	10,000.00	4,714.50
VEHICLE OPER. - RENTAL OF VEHICLES	3,084.87	5,000.00	1,915.13
- FUEL	<u>929.14</u>	<u>2,000.00</u>	<u>1,070.86</u>
TOTAL EXPENDITURES	20,787.73	<u>\$ 36,460.00</u>	<u>\$ 15,672.27</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(7,064.73)		
UNENCUMBERED CASH, JULY 1, 2010	<u>27,748.77</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 20,684.04</u>		
 <b>ADULT EDUCATION</b>			
<u>CASH RECEIPTS</u>			
CLASS FEES	\$ 0.00	<u>\$ 3,266.00</u>	<u>\$ (3,266.00)</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	0.00	\$ 3,700.00	\$ 3,700.00
- EMPLOYEE BENEFITS	<u>0.00</u>	<u>300.00</u>	<u>300.00</u>
TOTAL EXPENDITURES	<u>0.00</u>	<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	<u>733.66</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 733.66</u>		

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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>FOOD SERVICE FUND</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS - STATE AID	\$ 3,711.38	\$ 3,092.00	\$ 619.38
- FEDERAL AID	160,629.93	155,947.00	4,682.93
MEALS	271,030.83	305,084.00	(34,053.17)
TRANSFER FROM GENERAL FUND	13,908.00	20,000.00	(6,092.00)
INTEREST ON IDLE FUNDS	30,959.85	32,587.00	(1,627.15)
REIMBURSEMENTS	<u>2,056.05</u>	<u>10,000.00</u>	<u>(7,943.95)</u>
 TOTAL CASH RECEIPTS	 <u>482,296.04</u>	 <u>\$ 526,710.00</u>	 <u>\$ (44,413.96)</u>
 <u>EXPENDITURES</u>			
FOOD SERVICE OPERATION - SALARIES	183,227.21	\$ 190,000.00	\$ 6,772.79
- EMPLOYEE BENEFITS	93,965.19	97,500.00	3,534.81
- FOOD & SUPPLIES	200,274.51	310,000.00	109,725.49
- PROP. (EQUIP. & FURN.)	736.45	500.00	(236.45)
- OTHER	414.00	2,000.00	1,586.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	<u>0.00</u>	<u>2,056.05</u>	<u>2,056.05</u>
 TOTAL EXPENDITURES	 <u>478,617.36</u>	 <u>\$ 602,056.05</u>	 <u>\$ 123,438.69</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	 3,678.68		
 UNENCUMBERED CASH, JULY 1, 2010	 <u>73,289.83</u>		
 UNENCUMBERED CASH, JUNE 30, 2011	 <u>\$ 76,968.51</u>		

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
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	10-11 <u>ACTUAL</u>	10-11 <u>BUDGET</u>	VARIANCE - OVER (UNDER)
<b>PROFESSIONAL DEVELOPMENT FUND</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 19,943.47	\$ 20,000.00	\$ (56.53)
REIMBURSEMENTS	<u>1,363.90</u>	<u>47,500.00</u>	<u>(46,136.10)</u>
TOTAL CASH RECEIPTS	<u>21,307.37</u>	<u>\$ 67,500.00</u>	<u>\$ (46,192.63)</u>
<u>EXPENDITURES</u>			
INSTR. SUPPORT - SALARIES	6,136.40	\$ 20,700.00	\$ 14,563.60
- EMPLOYEE BENEFITS	515.12	2,025.00	1,509.88
- PURCHASED PROF. & TECH SVCS.	237.08	6,000.00	5,762.92
- OTHER PURCHASED SERVICES	14,418.77	40,275.00	25,856.23
- SUPPLIES	0.00	1,000.00	1,000.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	<u>0.00</u>	<u>1,363.90</u>	<u>1,363.90</u>
TOTAL EXPENDITURES	<u>21,307.37</u>	<u>\$ 71,363.90</u>	<u>\$ 50,056.53</u>
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	<u>2,500.00</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 2,500.00</u>		

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>SPECIAL EDUCATION FUND</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 1,257,825.14	\$ 1,050,000.00	\$ 207,825.14
MISCELLANEOUS REVENUE	<u>3,932.80</u>	<u>234,748.00</u>	<u>(230,815.20)</u>
TOTAL CASH RECEIPTS	<u>1,261,757.94</u>	<u>\$ 1,284,748.00</u>	<u>\$ (22,990.06)</u>
<u>EXPENDITURES</u>			
TRANSFER TO COOP SPECIAL EDUCATION FUND	<u>1,253,978.14</u>	<u>\$ 1,746,675.00</u>	<u>\$ 492,696.86</u>
RECEIPTS OVER (UNDER) EXPENDITURES	7,779.80		
UNENCUMBERED CASH, JULY 1, 2010	<u>461,927.26</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 469,707.06</u>		
 <b>AT RISK FUND (4 YR OLD)</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ <u>72,020.37</u>	\$ <u>80,000.00</u>	\$ <u>(7,979.63)</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	49,506.94	\$ 61,000.00	\$ 11,493.06
- EMPLOYEE BENEFITS	21,388.43	16,600.00	(4,788.43)
- SUPPLIES	0.00	2,000.00	2,000.00
INSTR. SUPP. STAFF - PURCHASED PROF. & TECH. SVCS.	<u>1,125.00</u>	<u>400.00</u>	<u>(725.00)</u>
TOTAL EXPENDITURES	<u>72,020.37</u>	<u>\$ 80,000.00</u>	<u>\$ 7,979.63</u>
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	<u>0.00</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 0.00</u>		

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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>VOCATIONAL EDUCATION FUND</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 270,019.59	\$ 365,400.00	\$ (95,380.41)
REVENUES FROM LOCAL SOURCE	5,391.07	0.00	5,391.07
REIMBURSEMENTS	705.93	0.00	705.93
TOTAL CASH RECEIPTS	276,116.59	\$ 365,400.00	\$ (89,283.41)
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	227,186.10	\$ 296,550.00	\$ 69,363.90
- EMPLOYEE BENEFITS	37,520.62	44,900.00	7,379.38
- PURCH. PROF. & TECH. SERVICES	361.81	2,500.00	2,138.19
- SUPPLIES	11,048.06	20,450.00	9,401.94
- PROPERTY (EQUIP. & FURN.)	0.00	1,000.00	1,000.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	705.93	705.93
TOTAL EXPENDITURES	276,116.59	\$ 366,105.93	\$ 89,989.34
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
<b>KPERS SPECIAL RETIREMENT CONTRIBUTION FUND</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 366,504.95	\$ 556,622.00	\$ (190,117.05)
<u>EXPENDITURES</u>			
INSTRUCTION - EMPLOYEE BENEFITS	261,792.38	\$ 410,000.00	\$ 148,207.62
STUDENT SUPPORT - EMPLOYEE BENEFITS	11,868.83	15,000.00	3,131.17
INSTRUCT. SUPPORT - EMPLOYEE BENEFITS	12,041.74	20,000.00	7,958.26
GENERAL ADMIN. - EMPLOYEE BENEFITS	9,089.13	12,622.00	3,532.87
SCHOOL ADMIN. - EMPLOYEE BENEFITS	27,777.51	40,000.00	12,222.49
OTHER SUPPL. SVCS. - EMPLOYEE BENEFITS	4,339.09	8,000.00	3,660.91
OPERATIONS & MAINT. - EMPLOYEE BENEFITS	19,761.58	25,000.00	5,238.42
STUDENT TRAN. SVCS. - EMPLOYEE BENEFITS	8,879.49	12,000.00	3,120.51
FOOD SERVICE - EMPLOYEE BENEFITS	10,955.20	14,000.00	3,044.80
TOTAL EXPENDITURES	366,504.95	\$ 556,622.00	\$ 190,117.05
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		

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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>COOP SPECIAL EDUCATION FUND</b>			
<b><u>CASH RECEIPTS</u></b>			
LOCAL SOURCES-PAYMENTS FROM OTHER DISTRICTS	\$ 623,871.53	\$ 2,097,671.00	\$ (1,473,799.47)
OTHER REVENUE FROM LOCAL SOURCES	1,796.34	0.00	1,796.34
TRANSFER FROM SPECIAL EDUCATION FUND	1,253,978.14	0.00	1,253,978.14
SEKESC - SPECTRA	32,642.05	30,000.00	2,642.05
TITLE VI-B GRANTS TO STATES	263,704.00	422,329.00	(158,625.00)
TITLE VI-B ARRA GRANTS TO STATES	139,957.00	0.00	139,957.00
TITLE VI-B PRESCHOOL	9,699.00	0.00	9,699.00
TITLE VI-B ARRA PRESCHOOL	5,895.00	0.00	5,895.00
TITLE VI-B TIP	14,402.00	0.00	14,402.00
<b>TOTAL CASH RECEIPTS</b>	<u>2,345,945.06</u>	<u>\$ 2,550,000.00</u>	<u>\$ (204,054.94)</u>
<b><u>EXPENDITURES</u></b>			
INSTRUCTION - SALARIES	1,457,200.92	\$ 1,566,148.00	\$ 108,947.08
- ARRA SALARIES	113,761.90	0.00	(113,761.90)
- EMPLOYEE BENEFITS	474,846.23	462,000.00	(12,846.23)
- PURCHASED PROF. & TECH SVCS.	3,859.74	0.00	(3,859.74)
- OTHER PURCHASED SERVICES	37,691.52	156,102.00	118,410.48
- SUPPLIES	23,864.78	33,150.00	9,285.22
- PROPERTY (EQUIP. & FURN.)	2,433.27	15,000.00	12,566.73
- OTHER	8,290.00	0.00	(8,290.00)
STUD. SUPPORT SVC. - SALARIES	93,779.48	207,000.00	113,220.52
- EMPLOYEE BENEFITS	48,027.90	45,300.00	(2,727.90)
- OTHER PURCHASED SERVICES	0.00	3,000.00	3,000.00
- SUPPLIES	1,828.00	5,900.00	4,072.00
INSTRUCT. SUPPORT - OTHER	5,250.00	0.00	(5,250.00)
GENERAL ADMIN. - SUPPLIES	1,055.66	3,000.00	1,944.34
SCHOOL ADMIN. - SALARIES	24,305.33	47,000.00	22,694.67
- ARRA SALARIES	32,090.10	0.00	(32,090.10)
- EMPLOYEE BENEFITS	17,188.77	6,100.00	(11,088.77)
- OTHER PURCHASED SERVICES	471.46	0.00	(471.46)
VEHICLE OPER. SERV. - EMPLOYEE BENEFITS	0.00	300.00	300.00
<b>TOTAL EXPENDITURES</b>	<u>2,345,945.06</u>	<u>\$ 2,550,000.00</u>	<u>\$ 204,054.94</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	0.00		
<b>UNENCUMBERED CASH, JULY 1, 2010</b>	<u>0.00</u>		
<b>UNENCUMBERED CASH, JUNE 30, 2011</b>	<u>\$ 0.00</u>		

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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>CONTINGENCY RESERVE FUND</b>			
<u>CASH RECEIPTS</u>	\$ 0.00		
<u>EXPENDITURES</u>	0.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	218,954.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 218,954.00		
 <b>TEXTBOOK &amp; STUDENT MATERIAL REVOLVING</b>			
<u>CASH RECEIPTS</u>			
MISCELLANEOUS FEES & REIMBURSEMENTS	\$ 6,255.00		
BOOK RENTAL FEES	38,413.29		
TOTAL CASH RECEIPTS	44,668.29		
<u>EXPENDITURES</u>			
MATERIALS AND SUPPLIES	13,364.81		
RECEIPTS OVER (UNDER) EXPENDITURES	31,303.48		
UNENCUMBERED CASH, JULY 1, 2010	146,809.90		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 178,113.38		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>10-11 ACTUAL</u>	<u>10-11 BUDGET</u>	<u>VARIANCE - OVER (UNDER)</u>
<b>TITLE I - FY 11</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 109,022.00		
 <u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	97,886.36		
- EMPLOYEE BENEFITS	9,702.14		
INSTRUCT. SUPPORT			
- PURCH. PROF. & TECH. SERVICES	<u>1,433.50</u>		
 TOTAL EXPENDITURES	<u>109,022.00</u>		
 RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
 UNENCUMBERED CASH, JULY 1, 2010	<u>0.00</u>		
 UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 0.00</u>		
 <b>CAMP INVENTION</b>			
<u>CASH RECEIPTS</u>			
DONATIONS	\$ 5,454.15		
STUDENT FEES	<u>4,600.75</u>		
 TOTAL CASH RECEIPTS	<u>10,054.90</u>		
 <u>EXPENDITURES</u>			
INSTRUCTION - SUPPLIES	<u>11,075.00</u>		
 RECEIPTS OVER (UNDER) EXPENDITURES	(1,020.10)		
 UNENCUMBERED CASH, JULY 1, 2010	<u>1,374.30</u>		
 UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 354.20</u>		



UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>KIDS UNIVERSITY</b>			
<u>CASH RECEIPTS</u>			
STUDENT FEES	\$ 22,472.80		
 <u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	19,471.87		
- EMPLOYEE BENEFITS	1,524.69		
- SUPPLIES	1,189.46		
TOTAL EXPENDITURES	22,186.02		
RECEIPTS OVER (UNDER) EXPENDITURES	286.78		
UNENCUMBERED CASH, JULY 1, 2010	16,915.89		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 17,202.67		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>10-11 ACTUAL</u>	<u>10-11 BUDGET</u>	<u>VARIANCE - OVER (UNDER)</u>
<b>WORKFORCE INVESTMENT ACT</b>			
<u>CASH RECEIPTS</u>			
HEARTLAND WORKS	\$ 35,950.85		
 <u>EXPENDITURES</u>			
SALARIES	21,279.46		
EMPLOYEE BENEFITS	11,034.09		
OTHER PURCHASED SERVICES	2,217.92		
SUPPLIES	319.38		
UTILITIES	900.00		
PROPERTY (EQUIP. & FURN.)	200.00		
 TOTAL EXPENDITURES	<u>35,950.85</u>		
 RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
 UNENCUMBERED CASH, JULY 1, 2010	<u>0.00</u>		
 UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 0.00</u>		
  <b>TITLE I - ARRA</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 33,655.00		
 <u>EXPENDITURES</u>			
SALARIES	5,253.86		
EMPLOYEE BENEFITS	27,613.29		
SUPPLIES	287.85		
OTHER	500.00		
 TOTAL EXPENDITURES	<u>33,655.00</u>		
 RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
 UNENCUMBERED CASH, JULY 1, 2010	<u>0.00</u>		
 UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 0.00</u>		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>TITLE II-A - IMPROVING TEACHER QUALITY</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 37,738.00		
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	31,672.00		
- PURCHASED PROF. & TECH. SVCS.	2,292.00		
INSTR. SUPPORT STAFF - OTHER	3,774.00		
TOTAL EXPENDITURES	37,738.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>TITLE II-D - EDUCATION TECHNOLOGY</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 369.00		
<u>EXPENDITURES</u>			
INSTRUCTION - PURCH. PROF. & TECH. SERVICES	276.75		
- OTHER PURCH. SERVICES	92.25		
TOTAL EXPENDITURES	369.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
 <b>ENERGY IMPROVEMENTS</b>			
<u>CASH RECEIPTS</u>			
QZAB BOND SERIES 2010A - CITIZENS STATE BANK	\$ 950,000.00		
QZAB BOND SERIES 2010B - UNITED BANK	950,000.00		
INTEREST EARNED	72.52		
TOTAL CASH RECEIPTS	1,900,072.52		
<u>EXPENDITURES</u>			
ENERGY IMPROVEMENTS PAID TO TRANE U.S. INC.	1,235,000.00		
PLACEMENT FEE	38,000.00		
TOTAL EXPENDITURES	1,273,000.00		
RECEIPTS OVER (UNDER) EXPENDITURES	627,072.52		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 627,072.52		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>BOND AND INTEREST FUND</b>			
<u>CASH RECEIPTS</u>			
AD VALOREM PROPERTY TAX -2010	\$ 1.03	\$ 0.00	\$ 1.03
DELINQUENT PROPERTY TAX	257.76	0.00	257.76
MOTOR VEHICLE TAX	116.69	0.00	116.69
	<u>375.48</u>	<u>0.00</u>	<u>375.48</u>
TOTAL CASH RECEIPTS			
	<u>375.48</u>	<u>0.00</u>	<u>375.48</u>
<u>EXPENDITURES</u>			
PRINCIPAL	0.00	\$ 0.00	\$ 0.00
INTEREST	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL EXPENDITURES			
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	375.48		
UNENCUMBERED CASH, JULY 1, 2010	<u>190,860.94</u>		
UNENCUMBERED CASH, JUNE 30, 2011	\$ <u>191,236.42</u>		
 <b>QZAB DEBT SERVICE FUND</b>			
<u>CASH RECEIPTS</u>			
INTEREST EARNED	\$ 0.01		
MCLINEY DEPOSIT FOR ACCEPTANCE FEE	<u>1,000.00</u>		
TOTAL CASH RECEIPTS	<u>1,000.01</u>		
<u>EXPENDITURES</u>			
ACCEPTANCE FEE	<u>1,000.00</u>		
TOTAL EXPENDITURES	<u>1,000.00</u>		
RECEIPTS OVER (UNDER) EXPENDITURES	0.01		
UNENCUMBERED CASH, JULY 1, 2010	<u>0.00</u>		
UNENCUMBERED CASH, JUNE 30, 2011	\$ <u>0.01</u>		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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STATEMENT 3  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 <u>ACTUAL</u>	10-11 <u>BUDGET</u>	VARIANCE - OVER (UNDER)
<b>GRANTS FUND</b>			
<u>CASH RECEIPTS</u>			
STUDENT FEES	\$ 270.00		
DONATIONS	<u>8,000.00</u>		
TOTAL CASH RECEIPTS	<u>8,270.00</u>		
<u>EXPENDITURES</u>			
EMPLOYEE BENEFITS	459.84		
SUPPLIES	<u>6,178.41</u>		
TOTAL EXPENDITURES	<u>6,638.25</u>		
RECEIPTS OVER (UNDER) EXPENDITURES	1,631.75		
UNENCUMBERED CASH, JULY 1, 2010	<u>2,996.99</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 4,628.74</u>		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>FORD SCHOLARSHIP</b>			
<u>CASH RECEIPTS</u>			
CONTRIBUTIONS FROM DONORS	\$ 1,000.00		
<u>EXPENDITURES</u>			
GRANTS TO SCHOLARSHIP RECIPIENTS	1,000.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
 <b>U.S.D. NO. 364 SCHOLARSHIP FUND</b>			
<u>CASH RECEIPTS</u>			
INTEREST INCOME	\$ 48.74		
CONTRIBUTIONS FROM DONORS	0.00		
TOTAL CASH RECEIPTS	48.74		
<u>EXPENDITURES</u>			
GRANTS TO SCHOLARSHIP RECIPIENTS	100.00		
RECEIPTS OVER (UNDER) EXPENDITURES	(51.26)		
UNENCUMBERED CASH, JULY 1, 2010	6,799.42		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 6,748.16		

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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STATEMENT 4

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
<b>STUDENT ORGANIZATION FUNDS</b>				
MARYSVILLE JUNIOR-SENIOR HIGH SCHOOL:				
JOURNALISM CLUB	\$ 974.06	\$ 54.14	\$ 218.00	\$ 810.20
CLASS OF 2010	395.74	0.25	395.99	0.00
CLASS OF 2011	42.23	474.86	423.68	93.41
CLASS OF 2012	3,054.47	61.03	2,597.14	518.36
CLASS OF 2013	72.29	6,867.15	3,832.51	3,106.93
CLASS OF 2014	0.00	0.00	0.00	0.00
ANNUAL CLUB	1,008.63	12,844.48	10,365.20	3,487.91
ART CLUB	104.93	2,931.78	2,311.17	725.54
BAND CLUB	1,485.65	7,435.48	8,050.86	870.27
BASEBALL CLUB	213.38	2,816.04	2,114.00	915.42
BIOLOGY CLUB	215.11	361.63	206.57	370.17
BOY'S BASKETBALL CLUB	1,730.90	6,444.36	5,995.09	2,180.17
BULLDOG CLUB	4,224.96	13,070.00	1,167.53	16,127.43
FBLA	1,829.24	10,091.74	10,342.24	1,578.74
"C" TEAM	136.90	0.00	104.75	32.15
CHEERLEADERS	1,599.59	10,121.29	11,197.29	523.59
CROSS COUNTRY CLUB	436.69	2,666.49	2,111.85	991.33
DRAMA CLUB	1,472.20	2,046.74	2,572.43	946.51
FELLOWSHIP OF CHRISTIAN ATHLETES CLUB	176.04	0.00	0.00	176.04
FFA	6,765.73	33,394.16	29,188.94	10,970.95
FCCLA	12,016.93	24,183.26	22,734.77	13,465.42
GIRL'S BASKETBALL CLUB	362.75	2,074.65	2,169.29	268.11
GOLF CLUB	172.86	1,141.78	100.00	1,214.64
JUNIOR HIGH ANNUAL CLUB	876.03	830.81	865.86	840.98
JUNIOR HIGH STUDENT COUNCIL	989.03	1,885.60	1,018.33	1,856.30
JUNIOR HIGH WRESTLING	1,315.69	763.46	1,542.72	536.43
KSCFL	1,606.88	7,458.28	4,273.41	4,791.75
KAYS	706.83	907.36	780.55	833.64
LIFTERS CLUB	151.01	7,882.42	7,828.40	205.03
M-CLUB	2,846.91	2,767.61	2,628.30	2,986.22
MATMAIDS	396.16	215.97	216.00	396.13
NATIONAL HONOR SOCIETY CLUB	250.05	53.21	78.35	224.91
POPULAR MUSIC LAB	244.53	977.59	824.50	397.62
SCIENCE CLUB	0.00	286.68	92.10	194.58
PHYSICS CLUB	0.00	439.00	439.00	0.00
SCHOLARS BOWL CLUB	965.83	666.32	681.81	950.34
COURTESY FUND	251.92	0.00	168.77	83.15
SADD	242.00	353.48	427.70	167.78
SOFTBALL CLUB	73.22	70.36	70.00	73.58
SPANISH CLUB	54.61	0.08	0.00	54.69
STUDENT COUNCIL	7,667.55	13,264.78	14,162.73	6,769.60
TENNIS CLUB - GIRLS	669.07	1,986.64	1,563.57	1,092.14
TENNIS CLUB - BOYS	14.07	403.03	129.42	287.68
TRACK CLUB	103.81	816.28	827.72	92.37
VOCAL MUSIC CLUB	876.06	1,222.90	1,165.17	933.79
VIDEOGRAPHY CLUB	2,423.13	1,528.11	88.36	3,862.88
SOCIAL STUDIES CLUB	0.77	0.00	0.00	0.77
VOLLEYBALL CLUB	2,150.52	4,810.43	5,124.60	1,836.35
WRESTLING CLUB	5,750.99	20,770.27	17,338.58	9,182.68
<b>SUBTOTAL ALL STUDENT ORGANIZATIONS</b>	<b>69,117.95</b>	<b>209,441.98</b>	<b>180,535.25</b>	<b>98,024.68</b>
<b>PAYROLL CLEARING</b>				
INSUR. & CAFETERIA PLAN REIMBURSEMENTS	150,621.20	426,119.75	339,434.28	237,306.67
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 219,739.15</b>	<b>\$ 635,561.73</b>	<b>\$ 519,969.53</b>	<b>\$ 335,331.35</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 5

DISTRICT ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
<u>GATE RECEIPTS</u>								
MARYSVILLE JUNIOR-SENIOR HIGH SCHOOL:								
ATHLETICS		\$ 20,007.17	\$ 0.00	\$ 73,302.50	\$ 73,087.90	\$ 20,221.77	\$ 0.00	\$ 20,221.77
ACTIVITY TICKETS		5,659.58	0.00	10,153.41	13,489.37	2,323.62	0.00	2,323.62
SUBTOTAL GATE RECEIPTS		25,666.75	0.00	83,455.91	86,577.27	22,545.39	0.00	22,545.39
<u>SCHOOL PROJECT FUNDS</u>								
MARYSVILLE JUNIOR-SENIOR HIGH SCHOOL:								
ACCELERATED READER PROJECT		14.83	0.00	0.00	0.00	14.83	0.00	14.83
ATHLETICS/ACTIVITIES IMPROVEMENT		68.50	0.00	1,000.00	0.00	1,068.50	0.00	1,068.50
HIGH SCHOOL IMPROVEMENT PROJECT		1,189.16	0.00	3,406.88	3,394.28	1,201.76	0.00	1,201.76
JUNIOR HIGH SCHOOL IMPROVEMENT PROJECT		779.91	0.00	858.68	887.84	750.75	0.00	750.75
JUNIOR HIGH MUSICAL/Drama		789.28	0.00	0.00	200.00	589.28	0.00	589.28
LIBRARY FEES		583.55	0.00	2,171.13	2,142.14	612.54	0.00	612.54
MARSHALL COUNTY SPEECH EXPERIENCE		234.83	0.00	0.00	0.00	234.83	0.00	234.83
PEPSI		5,774.44	0.00	11,000.00	1,000.00	15,774.44	0.00	15,774.44
PHOTO SERVICES		686.98	0.00	7,930.50	5,534.42	3,063.06	0.00	3,063.06
SCHOOL SUPPLIES		591.63	0.00	0.00	0.00	591.63	0.00	591.63
STUDENT ACTIVITY PROJECTS		451.54	0.00	3,380.21	3,346.21	485.54	0.00	485.54
STUDENT REVOLVING FUND		214.75	0.00	21,954.53	21,989.28	180.00	0.00	180.00
YOGOWYPI		91.21	0.00	0.44	0.00	91.65	0.00	91.65
WRESTLING ROOM IMPROVEMENT		0.00	0.00	2,550.00	0.00	2,550.00	0.00	2,550.00
SUBTOTAL MARYSVILLE JR-SR HIGH SCHOOL		11,450.61	0.00	54,252.37	38,494.17	27,208.81	0.00	27,208.81
<u>MARYSVILLE ELEMENTARY:</u>								
BOOK FAIR/LIBRARY PROJECT		1,137.21	0.00	4,192.40	5,072.63	256.98	0.00	256.98
REFRESHMENTS PROJECT		2,228.69	0.00	648.47	1,207.62	1,669.54	0.00	1,669.54
DANKS		2,249.20	0.00	0.00	901.08	1,348.12	0.00	1,348.12
SCHOOL IMPROVEMENT PROJECT		3,037.13	0.00	26,957.91	25,937.26	4,057.78	0.00	4,057.78
STUDENT COUNCIL		252.93	0.00	0.00	252.93	0.00	0.00	0.00
VISUAL WORKS		1,072.34	0.00	0.00	1,072.34	0.00	0.00	0.00
EYE FUND		50.00	0.00	0.00	0.00	50.00	0.00	50.00
BUGS		36.65	0.00	0.00	0.00	36.65	0.00	36.65
6TH GRADE SERVICE PROJECT		52.51	0.00	0.00	52.51	0.00	0.00	0.00
MUSIC		211.30	0.00	1,124.00	1,163.24	172.06	0.00	172.06
STUDENT REVOLVING FUND		2,750.97	0.00	2,349.84	3,601.98	1,498.83	0.00	1,498.83
YEARBOOK PROJECT		1,527.09	0.00	4,377.30	3,375.10	2,529.29	0.00	2,529.29
THEME DAY		0.00	0.00	1,042.00	283.04	758.96	0.00	758.96
DONATION		0.00	0.00	5,984.00	5,173.03	810.97	0.00	810.97
LEARNING GARDEN		0.00	0.00	5,000.00	0.00	5,000.00	0.00	5,000.00
SUBTOTAL MARYSVILLE ELEMENTARY SCHOOL		14,606.02	0.00	51,675.92	48,092.76	18,189.18	0.00	18,189.18
SUBTOTAL ALL SCHOOL PROJECT FUNDS		26,056.63	0.00	105,928.29	86,586.93	45,397.99	0.00	45,397.99
TOTAL DISTRICT ACTIVITY FUNDS		\$ 51,723.38	\$ 0.00	\$ 189,384.20	\$ 173,164.20	\$ 67,943.38	\$ 0.00	\$ 67,943.38

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

UNIFIED SCHOOL DISTRICT NO. 364  
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U.S.D. #364 FOUNDATION  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 6

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

THE U.S.D. #364 FOUNDATION	<u>10-11 ACTUAL</u>
<u>CASH RECEIPTS</u>	
DONATIONS	\$ 21,764.90
INTEREST ON INVESTMENTS	<u>7,448.65</u>
TOTAL CASH RECEIPTS	<u>29,213.55</u>
 <u>EXPENDITURES</u>	
SCHOLARSHIPS	9,085.00
SCHOOL PROJECTS	<u>1,411.00</u>
TOTAL EXPENDITURES	<u>10,496.00</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	18,717.55
 UNENCUMBERED CASH, JULY 1, 2010	<u>262,600.13</u>
 UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 281,317.68</u>

UNIFIED SCHOOL DISTRICT NO. 364  
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UNIFIED SCHOOL DISTRICT NO. 364  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Unified School District No. 364 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District No. 364 (the primary government) and its component unit. The component unit is included in the unified school district's reporting entity because of the significance of its operational and financial relationship with the unified school district.

Discretely presented component unit--the component unit section of the financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the unified school district.

1. The U.S.D. #364 Foundation--this foundation is a nonprofit corporation organized for charitable and educational purposes to provide support for the educational programs in Unified School District No. 364.

B. Fund accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the district for the fiscal year 2011:

Governmental funds

General fund--to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds--to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Capital projects fund--to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

Debt service funds--to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. Fund Accounting (cont.)

Fiduciary funds

Trust and agency funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) expendable trust funds, (b) nonexpendable trust funds, (c) pension trust funds, and (d) agency funds.

C. Basis of Accounting

Statutory Basis of Accounting--The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The school district has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirements for application of generally accepted accounting principles and allowing the school district to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America--The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense and liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary, notes, and compensated absences are not presented in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Reimbursements

USD #364 records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

E. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year. The maximum legal budget per the State Board of Education was set at \$5,243,297 for General Fund on June 3, 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.



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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. Budgetary Information (cont.)

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Reserve, Textbook and Student Revolving, and all federal programs and grant funds. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

F. Property Tax

The county clerk calculates the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to the county treasurer, who prepares tax statements and receives payment.

Taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 21st and May 11th. Delinquent taxes were assessed interest at 7% per annum for the calendar year 2010, and 7% per annum for calendar year 2011. This interest is retained by the county.

Taxes levied to finance the budget are made available to the district after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

2. DEPOSITS AND INVESTMENTS

As of June 30, 2011, Unified School District #364 had the following investments and maturities.

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Rating</u>
Cavanal Hill Treasury Fund	\$ 627,072.53	\$ 627,072.53	AAA by S&P
Money Market Mutual Fund which doesn't have a maturity date. Funds may be drawn down at any time.			

K.S.A. 9-1401 establishes the depositories which may be used by the school district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the district is located, or in an adjoining county if the institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. USD #364 has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the district's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes;

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

2. DEPOSITS AND INVESTMENTS (cont.)

no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices. The rating of the school district's investment is noted above.

*Concentration of credit risk.* State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The district's allocation of investments as of June 30, 2011, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Cavanal Hill US Treasury	100%

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2011.

At June 30, 2011 the carrying amount of the district's deposits, including certificates of deposits, was \$2,743,748.43. The bank balance was \$3,361,367.64. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$506,648.16 was covered by FDIC insurance and \$2,854,719.48 was collateralized with securities held by the pledging financial institution's agent in the district's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the school district will not be able to recover the value of its investments that are in the possession of an outside party. State statutes require investments to be adequately secured. At June 30, 2011, the school district had invested \$627,072.53 in the Money Market Funds of the Bond Trustee, Bank of Kansas City, which is secured by U.S. Government Securities.

3. LONG-TERM DEBT

The district has no outstanding long-term debt as of June 30, 2011. However, Unified School District #364 entered into a lease purchase agreement with the Bank of Kansas City, Kansas City, Missouri for energy improvements. The energy improvements were funded by Qualified Zone Academy Bonds which were purchased by two local banks. The QZAB Series 2010A have a tax credit of 5.85% and the QZAB Series 2010B have an interest rate of 5.85%. The lease purchase agreement is set up for basic rent payments and to be limited to payment from available revenues and will constitute a current expense of the district and not debt of the district. The Series 2010A basic principal payments are put in a QZAB Sinking Fund of the district each year in order to pay the full \$950,000 in the final year 2022. Since no payments are actually paid out till that date, the principal remains the same till the final year. The Series 2010B basic principal payments are paid to the local bank each year and the U.S. Government pays the interest amount. The schedule of basic rent payments as of June 30, 2011, for the Series 2010A and Series 2010B Certificates are shown below for informational purposes.

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

3. LONG-TERM DEBT (cont.)

ISSUE	INTEREST RATES	DATE OF ISSUE	AMOUNT OF ISSUE	DATE OF FINAL MATURITY	BEGINNING PRINCIPAL OUTSTANDING	ADDITIONS TO PRINCIPAL	REDUCTIONS OF PRINCIPAL	NET CHANGE IN PRINCIPAL	ENDING PRINCIPAL OUTSTANDING	INTEREST PAID
LEASE PURCHASE AGREEMENT WITH BANK OF KANSAS CITY QUALIFIED ZONE ACADEMY BONDS CERTIFICATE OF PARTICIPATION										
SERIES 2010A	5.85% TAX CREDIT	12/29/2010	950,000.00	12/29/2022	\$ 0.00	\$ 950,000.00	\$ 0.00	\$ 950,000.00	\$ 950,000.00	\$ 0.00
SERIES 2010B	5.85%	12/29/2010	950,000.00	12/29/2022	0.00	950,000.00	0.00	950,000.00	950,000.00	0.00
					\$ 0.00	\$ 1,900,000.00	\$ 0.00	\$ 1,900,000.00	\$ 1,900,000.00	\$ 0.00

Current maturities of the basic rent payment schedule showing principal and interest for the next five years and in five year increments through maturity are as follows:

	YEAR							
	2012	2013	2014	2015	2016	2017-2021	2022-2026	TOTAL
PRINCIPAL								
ENERGY IMPROVEMENT LEASE:								
QZAB SERIES 2010A	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 950,000.00	950,000.00
QZAB SERIES 2010B	79,166.67	79,166.67	79,166.67	79,166.67	79,166.67	395,833.35	158,333.30	950,000.00
TOTAL PRINCIPAL	79,166.67	79,166.67	79,166.67	79,166.67	79,166.67	395,833.35	1,108,333.30	1,900,000.00
INTEREST								
ENERGY IMPROVEMENT LEASE:								
QZAB SERIES 2010A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
QZAB SERIES 2010B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INTEREST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PRINCIPAL AND INTEREST	\$ 79,166.67	\$ 79,166.67	\$ 79,166.67	\$ 79,166.67	\$ 79,166.67	\$ 395,833.35	\$ 1,108,333.30	1,900,000.00

4. INTERFUND TRANSFERS

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	\$ 409,600.00
General Fund	Food Service Fund	K.S.A. 72-6428	13,908.00
General Fund	Professional Dev. Fund	K.S.A. 72-6428	19,943.47
General Fund	At Risk Fund (4Year Old)	K.S.A. 72-6428	72,020.37
General Fund	Special Education Fund	K.S.A. 72-6428	1,257,825.14
General Fund	Vocational Education Fund	K.S.A. 72-6428	270,019.59
Special Education Fund	Coop Special Education	K.S.A. 72-6420	1,253,978.14

5. DEFINED BENEFIT PENSION PLAN

Plan description. The Unified School District No. 364, Marysville, Kansas, participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

5. DEFINED BENEFIT PENSION PLAN (cont.)

pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.71% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009 were \$253,834,044, \$248,468,186, and \$242,277,636, respectively, equal to the required contributions for each year.

6. FRINGE BENEFITS

Each teacher shall be entitled once annually to elect to have a portion of the teacher's salary set aside on a Plan 125 not to exceed, \$10,000. The plan may pay for group health insurance, cash, or the following programs: term life insurance up to \$50,000.00, salary protection insurance, child care, and supplemental medical insurance such as dental, vision, and cancer.

The district will participate in the State of Kansas Employee Healthcare Program for school districts for as long as the district meets the requirements to participate. If for some reason the district does not meet the participation enrollment requirements all new employees will be required to enroll in the district health insurance. If the district no longer qualifies to participate in the state health insurance program, the district will contribute a matching amount to a new health insurance plan.

7. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the school district allows retirees to participate in the group health plan. While each retiree pays the full amount of the applicable premium, conceptually, the district is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the district makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid by the insured. There is no cost to the district under this program.

UNIFIED SCHOOL DISTRICT NO. 364  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

8. COMPENSATED ABSENCES

The District's policies regarding vacation and sick leave are: Each full time teacher shall earn 12 full days of leave each school year accumulative to 102 days; the superintendent is allowed twelve days leave accumulative to 102 days and 12 days vacation; the principals are allowed twelve days leave accumulative to 102 days; district employees who have a nine month contract are allowed six days sick leave accumulative to 100 days; district employees who have over a nine month contract are allowed an extra day per month; ten days sick leave accumulative to 100 days; the custodians, secretaries, and U.S.D. clerk who have a twelve month contract are allowed 10 sick days and 5 days of vacation the first year of employment and 10 days of vacation thereafter; the director of building and grounds is allowed 10 sick days accumulative to 100 and 12 days of vacation; the director of transportation, and the director of technology are allowed 12 days sick leave and 12 days vacation accumulative to 102 days.

Liability for compensated absences is not reflected in the financial statements.

9. TERMINATION BENEFITS

Unified School District #364 provided for an early retirement program at the end of FY09 for eligible certified staff. Compensation would be paid according to the schedule in the addendum to FY09 Negotiated Agreement. The program provides for one payment on August 1 or two payments (August 1 and February 1). The Board of Education passed a similar early retirement schedule for FY11 and one employee took advantage of early retirement. Payments made or encumbered for retired employees under these plans were \$31,500.00 for the year ended June 30, 2011.

10. COMMITMENTS AND CONTINGENCIES

Litigation

As of the audit date, there is no pending or threatened litigation which involves the Unified School District No. 364.

Grant program involvement

In the normal course of operations, the District participates in various Federal or State grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

11. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance-Related Legal and Contractual Provisions

K.S.A. 75-3317 thru K.S.A. 75-3322 requires school districts to purchase needed products from Kansas

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

11. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont.)

industries for the blind and severely disabled if they so offer the products. During the fiscal year under audit, USD #364 did not make any purchases from these industries. Numerous products, including janitorial and office supplies, are offered by Kansans who are blind and severely disabled. The district has acknowledged purchases of similar products elsewhere.

K.S.A. 60-1111 states that any contract exceeding \$100,000 for the purpose of making improvements or repairs to public buildings shall have a bond with the state of Kansas and it shall be on file in the county where the work is to be done. The Clerk of the District Court for Marshall County had no public works bond on file as of June 30, 2011 for the energy contract with Trane U.S. Inc. for \$1,900,000.00 for energy improvements. The performance bond with Trane was filed January 6, 2012 with the county.

K.S.A. 10-1117 requires clerks to keep a record of total monies as well as each particular fund. No accounting in the district's records was kept for the accounts kept by the Bond Trustee. The district received monthly statements from the Bond Trustee as to the receipts and expenditures.

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending June 30. The following shows the revenue as required by the statutes.

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STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		STATUTORY TRANSACTIONS	BUDGET	VARIANCE - OVER (UNDER)
<b>GENERAL FUND</b>				
<u>CASH RECEIPTS</u>				
<b>GENERAL PROPERTY TAXES</b>				
AD VALOREM PROPERTY TAXES	-2009	\$ 15,630.68	\$ 8,838.00	\$ 6,792.68
	-2010	1,223,329.26	1,159,353.00	63,976.26
DELINQUENT PROPERTY TAX		3,438.23	5,499.00	(2,060.77)
MINERAL TAX		1.32	0.00	1.32
REIMBURSEMENTS		77,932.27	0.00	77,932.27
STATE EQUALIZATION AID		3,022,010.00	3,364,384.00	(342,374.00)
SPECIAL EDUCATION AID		720,884.00	761,071.00	(40,187.00)
ARRA STABILIZATION		93,785.00	93,785.00	0.00
EDUCATION JOBS GRANT		164,218.00	0.00	164,218.00
<b>TOTAL STATUTORY REVENUES</b>		<b>5,321,228.76</b>	<b>\$ 5,392,930.00</b>	<b>\$ (71,701.24)</b>
<u>EXPENDITURES</u>				
INSTRUCTION		1,347,396.05	\$ 1,548,870.00	\$ 201,473.95
STUDENT SUPPORT SERVICES		124,556.82	126,700.00	2,143.18
INSTRUCTIONAL SUPPORT STAFF		244,843.56	213,100.00	(31,743.56)
GENERAL ADMINISTRATION		267,863.40	200,610.00	(67,253.40)
SCHOOL ADMINISTRATION		502,659.82	509,450.00	6,790.18
OPERATIONS & MAINTENANCE		422,439.30	420,950.00	(1,489.30)
STUDENT TRANSPORTATION SERVICES		328,341.59	345,900.00	17,558.41
OTHER SUPPLEMENTAL SERVICES		0.00	81,950.00	81,950.00
STUDENT ACTIVITIES		39,812.16	0.00	(39,812.16)
OUTGOING TRANSFERS		2,043,316.57	1,945,400.00	(97,916.57)
ADJUSTMENT TO COMPLY WITH LEGAL MAX		0.00	(149,633.00)	(149,633.00)
<b>LEGAL GENERAL FUND BUDGET</b>		<b>5,321,229.27</b>	<b>5,243,297.00</b>	<b>(77,932.27)</b>
<b>ADJUSTMENT FOR QUALIFYING BUDGET CREDITS</b>		<b>0.00</b>	<b>77,932.27</b>	<b>77,932.27</b>
<b>TOTAL EXPENDITURES</b>		<b>5,321,229.27</b>	<b>\$ 5,321,229.27</b>	<b>\$ 0.00</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>		<b>(0.51)</b>		
<b>MODIFIED UNENCUMBERED CASH, JULY 1, 2010</b>		<b>0.57</b>		
<b>MODIFIED UNENCUMBERED CASH, JUNE 30, 2011</b>		<b>\$ 0.06</b>		

UNIFIED SCHOOL DISTRICT NO. 364  
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MARSHALL COUNTY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SUPPLEMENTAL GENERAL		STATUTORY TRANSACTIONS	BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>				
GENERAL PROPERTY TAXES				
AD VALOREM PROPERTY TAXES	-2009	\$ 20,341.97	\$ 29,145.00	\$ (8,803.03)
	-2010	1,280,041.66	1,181,736.00	98,305.66
DELINQUENT PROPERTY TAX		6,095.21	6,168.00	(72.79)
MOTOR VEHICLE TAX		142,615.38	152,501.00	(9,885.62)
RECREATIONAL VEHICLE TAX		2,070.74	2,238.00	(167.26)
EXCISE TAX		152.03	0.00	152.03
SUPPLEMENTAL STATE AID		304,582.00	306,899.00	(2,317.00)
		<u>1,755,898.99</u>	<u>\$ 1,678,687.00</u>	<u>\$ 77,211.99</u>
<u>EXPENDITURES</u>				
INSTRUCTION	--SALARIES	1,044,458.80	\$ 872,000.00	\$ (172,458.80)
	--EMPLOYEE BENEFITS	278,945.06	480,035.00	201,089.94
	--OTHER PURCHASED SVC.	3,240.86	0.00	(3,240.86)
	--SUPPLIES	23,682.84	116,500.00	92,817.16
	--PROP. & EQUIPMENT	465.25	0.00	(465.25)
	--OTHER	25,000.00	24,000.00	(1,000.00)
OPERATIONS & MAINTENANCE	--UTILITIES	218,033.50	127,900.00	(90,133.50)
OPER. & MAINT. (TRANSPORTATION)	--OTHER PURCHASED SVC.	192,894.69	44,000.00	(148,894.69)
	--SUPPLIES	0.00	70,000.00	70,000.00
VEHICLE OPERATING SERVICES	--OTHER PURCHASED SVC.	0.00	60,000.00	60,000.00
ADJUSTMENT TO COMPLY WITH LEGAL MAX		0.00	(7,714.00)	(7,714.00)
		<u>1,786,721.00</u>	<u>\$ 1,786,721.00</u>	<u>\$ 0.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES		(30,822.01)		
MODIFIED UNENCUMBERED CASH, JULY 1, 2010		<u>115,747.70</u>		
MODIFIED UNENCUMBERED CASH, JUNE 30, 2011		<u>\$ 84,925.69</u>		



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**INTERNAL CONTROL AND  
COMPLIANCE INFORMATION**

**KICKHAEFER & ASSOCIATE, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth L. Kickhaefer, CPA

PO BOX 269, 1100 BROADWAY  
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(785) 562-2100  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education  
Unified School District No. 364  
Marysville, Kansas 66508

We have audited the financial statements of the governmental activities and the discretely presented component unit of Unified School District No. 364, Marysville, Kansas, as of and for the year ended June 30, 2011, which collectively comprise Unified School District No. 364's basic financial statements and have issued our report thereon, dated February 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Unified School District No. 364, Marysville, Kansas' internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 364, Marysville, Kansas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Unified School District No. 364, Marysville, Kansas' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. (2011-1) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unified School District No. 364, Marysville, Kansas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 364's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the school district's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Education and management of the Unified School District No. 364, Marysville, Kansas, Federal awarding agencies and pass-through entities, the Kansas Department of Administration, Division of Accounts and Reports, and the Kansas Department of Education and is not intended to be and should not be used by anyone other than these specified parties.



Kickhaefer & Associate, P.A.  
Marysville, Kansas  
February 8, 2012

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

**FEDERAL AWARD INFORMATION**

**KICKHAEFER & ASSOCIATE, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth L. Kickhaefer, CPA

PO BOX 269, 1100 BROADWAY  
MARYSVILLE, KS 66508-0269

(785) 562-2100  
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education  
Unified School District No. 364  
Marysville, Kansas 66508

Compliance

We have audited the compliance of the Unified School District No. 364, Marysville, Kansas, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2011. Unified School District No. 364, Marysville, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 364, Marysville, Kansas' management. Our responsibility is to express an opinion on Unified School District No. 364, Marysville, Kansas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Kansas Municipal Audit Guide*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 364, Marysville, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Unified School District No. 364, Marysville, Kansas' compliance with those requirements.

In our opinion, Unified School District No. 364, Marysville, Kansas, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

The management of Unified School District No. 364, Marysville, Kansas, is responsible for establishing and maintaining effective internal control over compliance with

requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 364, Marysville, Kansas' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 364, Marysville, Kansas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education and management of the Unified School District No. 364, Marysville, Kansas, federal awarding agencies and pass-through entities, the Kansas Department of Administration, Division of Accounts and Reports, and the Kansas Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

*Kickhafer & Associate P.A.*

Kickhafer & Associate, P.A.

Marysville, Kansas

February 8, 2012

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PROGRAM TITLE

**U.S. DEPT. OF EDUCATION:**

**PASSED THROUGH PROGRAMS FROM:**

**KANSAS DEPARTMENT OF EDUCATION:**

**TITLE I - FY 11**

**TITLE I ARRA**

**TITLE II-A - IMPROVING TEACHER QUALITY**

**TITLE II-D - EDUCATION TECHNOLOGY**

**TITLE VI-B PRESCHOOL**

**TITLE VI-B ARRA PRESCHOOL**

**TITLE VI-B GRANTS TO STATES**

**TITLE VI-B DISCRETIONARY SPEC. PROJECTS**

**TITLE VI-B ARRA**

**ARRA - STABILIZATION**

**CHARACTER EDUCATION INITIATIVE**

**EDUCATION JOBS FUND**

**NEMAHA VALLEY USD #442:**

**CARL PERKINS - CAREER AND TECHNICAL EDUCATION**

**TOTAL PASS-THROUGH PROGRAMS**

**TOTAL U.S. DEPT. OF EDUCATION**

FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	BEGINNING BALANCE 07-01-10	RECEIPTS	EXPENDITURES	ENDING BALANCE 06-30-11
84.010	\$ 109,022.00	\$ 0.00	\$ 109,022.00	\$ 109,022.00	\$ 0.00
84.389	59,655.00	0.00	33,655.00	33,655.00	0.00
84.367	37,738.00	0.00	37,738.00	37,738.00	0.00
84.318	369.00	0.00	369.00	369.00	0.00
84.173	9,699.00	0.00	9,699.00	9,699.00	0.00
84.392	11,789.00	0.00	5,895.00	5,895.00	0.00
84.027	263,704.00	0.00	263,704.00	263,704.00	0.00
84.027A	14,402.00	0.00	14,402.00	14,402.00	0.00
84.391	279,913.00	0.00	139,957.00	139,957.00	0.00
84.394	93,785.00	0.00	93,785.00	93,785.00	0.00
84.215	2,540.37	0.00	2,540.37	2,540.37	0.00
84.41	164,218.00	0.00	164,218.00	164,218.00	0.00
84.048	7,370.80	0.00	7,370.80	7,370.80	0.00
				<u>882,355.17</u>	
				<u>882,355.17</u>	

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.



UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 7  
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>BEGINNING BALANCE 07-01-10</u>	<u>RECEIPTS</u>	<u>EXPENDITURES</u>	<u>ENDING BALANCE 06-30-11</u>
<b>U.S. DEPT. OF LABOR</b>						
PASS THROUGH PROGRAM FROM:						
KANSAS DEPARTMENT OF COMMERCE:						
HEARTLAND WORKS, INC.:						
WORKFORCE INVESTMENT ACT	17.259	\$ 35,950.85	\$ 0.00	\$ 35,950.85	\$ 35,950.85	\$ 0.00
<b>TOTAL U.S. DEPT. OF LABOR</b>					<u>35,950.85</u>	
<b>U.S. DEPT. OF AGRICULTURE</b>						
PASS THROUGH PROGRAM FROM:						
KANSAS DEPARTMENT OF EDUCATION:						
SCHOOL BREAKFAST PROGRAM	10.553	30,018.84	0.00	30,018.84	30,018.84	0.00
SCHOOL LUNCH PROGRAM	10.555	119,899.33	0.00	119,899.33	119,899.33	0.00
SPECIAL MILK PROGRAM	10.556	711.76	0.00	711.76	711.76	0.00
<b>TOTAL PASS THROUGH PROGRAMS</b>					<u>150,629.93</u>	
<b>TOTAL DEPT OF AGRICULTURE</b>					<u>150,629.93</u>	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
PASS THROUGH PROGRAM FROM:						
VALLEY HEIGHTS USD #498:						
RURAL HEALTHCARE SERVICES OUTREACH (HRSA)	93.912	3,135.93	0.00	3,135.93	3,135.93	0.00
SOUTHEAST KANSAS EDUC. SERVICE CENTER:						
MEDICAL ASSISTANCE PROGRAM	93.778	31,036.85	0.00	31,036.85	31,036.85	0.00
KANSAS DEPT. OF HEALTH AND ENVIRONMENT						
MEDICAL ASSISTANCE PROGRAM	93.778	8,497.21	0.00	8,497.21	8,497.21	0.00
<b>TOTAL PASS THROUGH PROGRAMS</b>					<u>42,669.99</u>	
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<u>42,669.99</u>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<u>\$ 1,111,605.94</u>	

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2011

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Unified School District No. 364, Marysville, Kansas and is presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the Unified School District No. 364, Marysville, Kansas' financial statements under the statutory basis of accounting and an adverse opinion under GAAP dated February 8, 2012.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Unified School District No. 364, Marysville, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses in internal control relating to the audit of the major federal award programs are reported in the Report of Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 364, Marysville, Kansas expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Unified School District No. 364, Marysville, Kansas, that are required to be reported under Section 510(a) of Circular A-133.
7. The major programs for Unified School District No. 364, Marysville, Kansas, were the State Fiscal Stabilization Fund – ARRA Program, CFDA No. 84.394, ARRA Title I Program, CFDA No. 84.389, and Education Jobs Fund, CFDA No. 84.410. All three major programs are U.S. Department of Education programs.
8. The dollar threshold between Type A programs and Type B programs was \$300,000.
9. The Unified School District No. 364, Marysville, Kansas, did qualify under Section 530 as a low-risk auditee and therefore was eligible for reduced audit coverage in accordance with Section 520.

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT.)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

2011-1

Condition: District has investments held in trust by Bank of Kansas City and no accounting of these funds is shown in the district's fund accounting.

Criteria: District should record the receipts and expenditures of these accounts from the monthly statements received.

Cause: The district entered into a lease purchase agreement to install energy efficient improvements at the school buildings and these would be funded by Qualified Zone Academy Bonds sold to two local banks. The entire setup was complex and the district relied on the bond company to take care of everything.

Effect: The district received monthly statements from the Bank of Kansas City but there was no accounting kept of the activity in the district investments.

Recommendation: The district should set up two funds - a Capital Improvement Fund, Energy Improvements and a Debt Service Fund, QZAB Debt Service fund. The investments held in trust by the Bank of Kansas City record the activity which flows through the project account and the debt service account. The debt service fund will include the QZAB Sinking Fund at a local bank which will accumulate annual payments to pay off the QZAB Series 2010A bonds in 2022.

Views of Responsible Officials and Planned Corrective Actions: The district sees the need for such accounting and will set up the required funds and monitor the activity.

There were no prior year financial statement audit findings.

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

No matters noted in the current fiscal year.

There were no prior year major federal award program findings or questioned costs.

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

**SUPPLEMENTAL INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 364  
MARYSVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

SCHEDULE 1

COMPARISON OF DEPOSITORY SECURITY WITH FUNDS ON DEPOSIT

JUNE 30, 2011

	F.D.I.C. COVERAGE	SECURITY PLEDGED		TOTAL COVERAGE	FUNDS ON DEPOSIT 06-30-11	FUNDS AT RISK 06-30-11
		PAR VALUE	MARKET VALUE			
UNIFIED SCHOOL DISTRICT NO. 364 BANK						
UNITED BANK & TRUST, MARYSVILLE, KANSAS-- DEMAND DEPOSITS	\$ 0.00			\$	0.00	
TIME DEPOSITS	250,000.00				3,073,151.80	
SUBTOTAL	250,000.00	\$ 3,600,000.00	\$ 3,615,706.95	\$ 3,865,706.95	3,073,151.80	\$ 0.00
CITIZENS STATE BANK, MARYSVILLE, KANSAS-- TIME DEPOSITS	6,648.16				6,648.16	
SUBTOTAL	6,648.16	37,238.10	38,396.65	45,044.81	6,648.16	0.00
TOTAL PRIMARY GOVERNMENT	256,648.16	3,637,238.10	3,654,103.60	3,910,751.76	3,079,799.96	0.00
COMPONENT UNIT - THE U.S.D. #384 FOUNDATION BANK						
CITIZENS STATE BANK, MARYSVILLE, KANSAS-- DEMAND/TIME DEPOSITS	250,000.00	105,337.00	113,440.00	363,440.00	281,567.68	0.00
TOTAL CASH DEPOSITS OF REPORTING ENTITY	\$ 506,648.16	\$ 3,742,575.10	\$ 3,767,543.60	\$ 4,274,191.76	\$ 3,361,367.64	\$ 0.00